



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 3, 2005

S. 37

**An act to extend the special postage stamp for
breast cancer research for two years**

As cleared by the Congress on October 21, 2005

SUMMARY

The Stamp Out Breast Cancer Act (Public Law 105-41) authorized a special postage stamp for first-class mail. The price of this stamp is 45 cents, 8 cents above the regular rate of 37 cents, and the authority to issue this stamp expires on December 31, 2005. After accounting for the Postal Service's administrative costs, amounts above the regular postal rate collected from sales of the special stamp are transferred to the National Institutes of Health (NIH) and the Department of Defense (DoD) to spend on breast cancer research efforts. S. 37 extends this program until December 31, 2007.

Over the 2006-2015 period, CBO estimates that S. 37 will have no net effect on direct spending and would not affect either revenues or discretionary spending.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 37 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense), 370 (commerce and housing credit), and 550 (health).

		By Fiscal Year, in Millions of Dollars									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CHANGES IN DIRECT SPENDING											
Off-Budget Effects											
Impact on the Postal Service											
Estimated Budget Authority		-3	0	3	0	0	0	0	0	0	0
Estimated Outlays		-3	0	3	0	0	0	0	0	0	0
On-Budget Effects											
Impact on NIH and DoD											
Estimated Budget Authority		-1	-3	0	3	1	0	0	0	0	0
Estimated Outlays		-1	-3	0	3	1	0	0	0	0	0
Unified Budget Effect											
Total Changes											
Estimated Budget Authority		-4	-3	3	3	1	0	0	0	0	0
Estimated Outlays		-4	-3	3	3	1	0	0	0	0	0

BASIS OF ESTIMATE

Based on sales of the special breast cancer stamp in recent years, CBO estimates that S. 37 will generate collections of about \$12 million over the 2006-2008 period. After covering its administrative costs (about \$1 million over this period), the Postal Service will transfer those collections to NIH and DoD in May and November of each year. Thus, the net impact on the Postal Service over the 2006-2008 period will be zero. Spending and collections of the Postal Service are classified as “off-budget.”

We estimate that S. 37 will increase NIH and DoD collections (from Postal Service transfers) by about \$1 million in 2006, \$6 million in 2007, and \$4 million in 2008. Spending of these collections by those two agencies will lag behind the amounts collected by several months. We estimate research spending will be \$1 million in fiscal year 2006, \$3 million in 2007, \$4 million in 2008, \$2 million in 2009, and about \$1 million in 2010. Thus, the net unified budget impact of the proposal (including on-budget and off-budget effects) will be zero over the 2006-2010 period, with no effect after 2010.

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